EMPLOYMENT TRAINING PANEL

Memorandum

To: Panel Members Date: September 22, 2006

From: Dolores Kendrick, Manager Analyst: E. Wadzinski

Subject: One-Step Agreement for J&R FILM CO., INC. DBA MOVIOLA EDUCATION

CENTER

CONTRACTOR:

Multiple Employer: Training Agency

• Training Project Profile: Retraining: Companies W/Out-Of-State Competition

Legislative Priorities:
 Stimulating Exports/Imports

Potentially Displaced Workers

Type of Industry: Services -High Technology

Repeat Contractor: Yes

ETP Trainees Represented by

Union: Yes

Name and Local Number of Union I.A.T.S.E. Motion Picture Editors Guild, Local 700

Representing ETP Trainees: I.A.T.S.E. Production Sound Technicians,

Television Engineers, Video Assist Technicians and

Studio Projectionist, Local 695

CONTRACT:

Program Costs: \$696,800

Substantial Contribution: \$0

Multiple Employer Support (8%) \$48,200

• Total ETP Funding: \$745,000

Total In-kind Contribution: \$424,000

> Trainee Wages Paid During Training: \$362,500

> Other Contributions: \$61,500

Reimbursement Method: Fixed-Fee

County(ies) Served: Los Angeles, Orange and San Diego

Location of Training:
 85 % Center Based;
 15 % Employer Site

INTRODUCTION:

This is the fourth ETP-funded project proposed by J & R Film Co. Inc. dba Moviola Education Center (Moviola). Moviola, a private, for profit, training and educational center, is eligible to contract with the Employment Training Panel under Title 22, California Code of Regulations Section 4426(a)(6) as a training agency approved and certified by the Bureau for Private Postsecondary and Vocational Education.

Participating employers will be from all facets of the entertainment industry, which includes production and post-production, technical support and consulting, distribution, news agencies, advertising, and equipment sales and rental. These employers will be eligible for Employment Training Panel funding under Title 22, California Code of Regulations, Sections 4416(d)(3,4) as service companies facing out-of-state competition, and Section 4416(i)(2) Sector 51 as companies involved in motion picture and video production. Moviola is requesting Panel funds to retrain 500 incumbent workers from eligible participating employers in Los Angeles, Orange, and San Diego Counties.

MEETING ETP GOALS AND OBJECTIVES:

Moviola proposes training that will further the following ETP goals and objectives:

- 1) Meet the need for a skilled workforce in a priority industry.
- 2) Target workers who are subject to displacement because of changes in technology or significantly increasing levels of international and out-of-state competition.
- 3) Promote California's high technology manufacturing workforce.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job 1-6 Retrainee Priority Industries	Advanced Technology	500	24 - 96	0	\$1,490	\$12.90- \$75.00

Wages After 90-Day Retention

<u>Occupation</u>	
Motion Picture Production Staff Motion Picture Technical Support TV Production Staff TV Technical Support Staff Interactive Digital Media Production Interactive Digital Media Support Staff	

Health Benefits Used To Meet ETP Minimum Wage: Although some participating employers pay health benefits for employees, the hourly contribution is not being used to meet the ETP minimum wage requirement.	Turnover Rate 20% or less	% Of Mgrs & Supervisors To Be Trained:
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Other Employee Benefits:

Other employee benefits vary by participating employer.

COMMENTS / ISSUES:

> Frontline Workers

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations (CCR), Section 4400(ee).

> Production During Training

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

> Center-Based Training

Initially, all training will be conducted at the Moviola facility. According to Moviola, center-based training enables access for participating employers who lack training facilities or equipment or qualified staff to handle the logistics, technical support, and other needs. To meet ETP's customization requirement, center-based training conducted at Moviola will be limited to workers from the same industry. Moviola performs formal assessments on skill levels, topics, and training delivery methods to ensure training is customized to the employer's needs and specifications.

> Advanced Technology Training (AT) Fixed Fee Rate

Moviola is requesting the Advanced Technology fixed fee cost reimbursement for training in highly sophisticated digital projection and sound design equipment with the latest software and hardware technology. Because of the low ratio of students, 1:10 or less, combined with the cost of the equipment for the laboratory section of the course, per-student course costs are much higher than seen in other curriculum areas. Further, training will be customized to occupations which involve the use of this highly technical equipment.

> High Training Costs

In accordance with ETP's Strategic Plan, a specialty trade contractor in the entertainment industry qualifies for priority industry fixed-fee reimbursement. Fifty Job 6 trainees are scheduled to receive 96 hours of Advanced Technology (AT) training, with a reimbursement of \$2,669 per trainee (96 hours AT \times \$26). The 96 hours, which is required to receive AVID Certification, will be on Avid Symphony, Avid Media Composer, Avid Xpress and Avid DigiDesign ProTools. The Contractor states that the completion of this highly technical, specialized and customized training will improve retrainees chances of continued employment in this industry.

RECOMMENDATION:

Staff recommends that the Panel approve the One-Step Agreement for training based on the industry need for employees with state-of-the-art skills to meet competitive pressures of the global entertainment industry. California's entertainment industry is faced with a decline in business due to runaway production. This training will provide trainees with the most current skills to work in the motion picture and entertainment industry and help keep jobs in California.

J&R Film Co., dba Moviola Education Center One-Step Agreement September 22, 2006

NARRATIVE:

Founded in 1926 by Joe Paskal, Moviola began as a "one stop shopping" location for film editors, providing a full range of services for film and video production. As the entertainment industry continued to move towards computer-based technological systems and recognizing the need to provide training on the use of these systems, Moviola opened its education center in September 1998.

Employer Demand

The Contractor's representative stated that with constantly changing technology in the entertainment production industry, it is necessary for workers to be trained in the most current versions of digital software and hardware to improve their chances of continued employment and to help participating employers remain viable in the California economy. Along with these changes, competition has been rapidly developing in other parts of the country and the world, challenging the California entertainment industry.

Even with the large number of production companies based in California, a significant amount of the actual key photography now occurs out-of-state. The Screen Actors Guild and the Directors Guild of America jointly issued a report of a study conducted by the consulting firm Monitor Company, showing the total economic impact as a result of U.S. economic runaway film and television production. The report dated July 2004 that indicated the total impact of "runaway" production to be over \$10.3 billion. The labor impact is profound. According to the applicant, more than 23,500 full time positions were lost in California, where the majority of production companies are based. As a result, demand for training continues to grow as the industry attempts to remain globally competitive by becoming more efficient.

In addition, California-based entertainment products created outside of the state often use post-production, visual effects, and other services from companies located in those areas. Many other states and countries now have a well-developed industry of support services that take business away from California employers. California employers have to compete on price, equipment, and services, but primarily on talent. The companies with up-to-date technology will have the competitive edge to keep and bring business into California. The proposed training program will enable industry workers to remain in highly skilled, high wage jobs.

Moviola developed a survey to identify employer training requirements. This survey was distributed to a mix of large, medium, and small employers within the industry. Moviola also met with a select group of employers and union representatives to discuss what skills workers needed for the companies to be competitive in this global market. In addition, labor market research provided information about the skill requirements of various occupations in the industry. Based on the above resources, Moviola staff identified and developed the following curriculum outlined in this proposal:

<u>Advanced Technology</u> training will include courses in: Non-linear editing platforms; compositing programs; DVD production; motion graphics for video, film, corporate video and multimedia; Photoshop for film and video environment; and animated and interactive web page design.

Moviola recruits employers through personal visits conducted by the sales team. Moviola will also utilize Web advertisements and informational mailings to past and present customers.

NARRATIVE: (continued)

Commitment to Training

Past employer training has been limited to on-the-job customer service, safety, or training on proprietary software. The applicant's representative stated that the training in this proposal cannot typically be provided by the participating employer because (1) the equipment is too expensive to be non-productive or (2) small companies do not have the ability to bring in a trainer for just one or two critical employees. These employers do not have the financial resources or the expertise to offer the training as proposed.

SUBCONTRACTORS:

Spectra Business Improvement Systems, Arcadia, California, will provide administrative services for an amount not to exceed 13 percent of the payment earned.

THIRD PARTY SERVICES:

The Applicant states that Spectra Business Improvement Systems provided assistance in conducting the training needs assessment, development of the training plan, curriculum, and other application requirements at no cost.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

	PRIOR PROJECTS							
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution		
ET03-0368	Hollywood	06/30/03- 06/29/05	\$958,000	\$936,283 (98%)	\$723,000	\$712,155		

ACTIVE PROJECTS:

The following are current project statistics:

	ACTIVE PROJECTS					
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET05-0240	\$545,669	01/21/05- 01/20/07	479	*453 (95%)	396 (83%)	326 (68%)

^{*}Contractor expects all enrolled trainees to complete this Agreement.

J&R Film Co., Inc. dba Moviola Education Center

MENU CURRICULUM

Class/Lab Hours

Job 1 – 24

Job 2 - 32

Job 3 - 40

Job 4 – 56

Job 5 - 80

Job 6 - 96

Trainees will receive any of the following:

ADVANCED TECHNOLOGY

- OS 101 Mac Operating System Level I
- PH 101 Photoshop Level I
- PH 201 Photoshop Level II
- PH 301 Photoshop Level III
- PH 110 Photoshop Digital Darkroom
- AE 101 After Effects Level I
- AE 201 After Effects Level II
- AE 210 After Effects Titling
- AE 301 After Effects Level III
- IL 101 Illustrator Level 1
- IL 201 Illustrator Level II
- ID 101 InDesign Level I
- FC101 Final Cut Pro Level I
- FC 300 Final Cut Pro Advanced Editing and Effects
- FC 350 Final Cut Pro Color Correction & Effects
- FC 304 Final Cut Pro Live Type
- FC 305 Final Cut Pro Soundtrack
- SP 101 Soundtrack Pro
- DV 101 DVD Studio Pro Level I
- DV 301 DVD Studio Pro Level II
- LG 101 Logic Level I
- LG301 Logic Level II
- MO 101 Motion Level I
- SH 101 Shake Level I
- MC 101 Media Composer Level I
- MC 102 Media Composer Working with Film & 24p
- MC 110 Media Composer Introduction to Effects
- MC 305 Media Composer Advanced Effects
- MC113 Media Composer Trimming
- MC 201 Media Composer Advanced Techniques
- BW 100 Media Composer Workshop Brightwolf
- MC 210 Creating Graphics and Mattes with Adobe Photoshop for Avid Editing Systems
- MC 239 Media Composer and Avid Xpress Pro Color Correction
- PA 101 Principles & Aesthetics of Editing
- XP 119 Xpress Pro Level I

XP 129 - Xpress Pro – Basic Effects

Moviola Education Center

MENU CURRICULUM (continued):

- DS 101 Basic Graphics and Effects
- DS 201 Graphics and Effects
- DS 301 Compositing and Effects
- MA 400 Avid/Macintosh System Support
- WN 400 Avid/Windows System Support
- WN 410 Avid/Windows Updated Technologies
- UN 402 Avid Unity MediaNet System Support
- MA 410 Avid/Macintosh Updated Technologies
- WN 410 Avid/Windows Updated Technologies
- PT 101 Pro Tools Level I
- PT 201 Pro Tools Production Essentials
- PT 110 Pro Tools Promo Mixing
- FL 101 Flash Level I
- FL 201 Flash Level II
- DW 101 Dreamweaver Level I
- DW 201- Dreamweaver Level II
- MY 101 Maya Level I
- MY 201 Maya Level II
- SY 320 Finishing on Avid Symphony
- SY 324 Avid Symphony Finishing Effects and Color Correction
- VB 101 Vector vs. Bitmap
- CMB 101 Introduction to Combustion
- WEB I Beginning Web Design
- WEB II Advanced Web Design
- FW101 Macromedia Fireworks
- Unity 202 Avid Unity MediaNetwork for System Administrators
- Unity 203 System Administration for Productivity Tools
- CM 100 Color Management Fundamentals
- CM101 Color Management with Mac OS X
- AE205 DVD Menu Design with After Effects and Photoshop
- TY 101 Typography in Design
- CT 101 Color Theory
- AA101 Aperture Level I

<u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

Participating Employers in Retrainee/New Hire Multiple Employer Contractor (MEC) Agreements (ETP 100B)

Contractor's Name: J&R Film Co., Inc. DBA Moviola Education

Center CCG No.: ET07-0149

Reference No: 07-0009 Page 1 of 2

PRINT OR TYPE

Company: America Online, Inc.

Address: 3520 Hayden Ave.

Telephone No.:

City, State, Zip: Culver City, Ca. 90232

Contact Person/Title: Melissa Frescholtz

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 24,000

703-265-0276

Total # of full-time company employees in California: 955

Estimated # of employees to be retrained or hired under this Agreement: 35

Company: Film Garden Entertainment, Inc.

Address: 6727 Odessa Ave.

City, State, Zip: Van Nuys, Ca. 91406

Contact Person/Title: Craig Golin

Telephone No.: 818-783-3456

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 53

Total # of full-time company employees in California: 53

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Go Edit, Inc.

Address: 750 N. Highland Ave.

City, State, Zip: Los Angeles, Ca. 90038

Contact Person/Title: Maria Tayag

Telephone No.: 323-337-1174

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 5

Total # of full-time company employees in California: 5

Estimated # of employees to be retrained or hired under this Agreement:

Participating Employers in Retrainee/New Hire Multiple Employer Contractor (MEC) Agreements (ETP 100B)

Contractor's Name: J&R Film Co., Inc. DBA Moviola Education

Center CCG No.: ET07-0149

Reference No: 07-0009 Page 2 of 2

Company: Liberty Livewire/Ascent Media

Address: 520 Broadway, 5th Floor

City, State, Zip: Santa Monica, Ca. 90401

Contact Person/Title: Christal Norris

Telephone No.: 818-260-2153

Collective Bargaining Agreement(s): Yes - Local 700

Total # of full-time company employees worldwide: 4500

Total # of full-time company employees in California: 2100

Estimated # of employees to be retrained or hired under this Agreement: 75

Company: Paramount Pictures

Address: 5555 Melrose Ave.

City, State, Zip: Hollywood, Ca. 90038

Contact Person/Title: Richard Jastrow

Telephone No.: 323-956-1445

Collective Bargaining Agreement(s): Yes - Local 700

Total # of full-time company employees worldwide: 2500

Total # of full-time company employees in California: 2500

Estimated # of employees to be retrained or hired under this Agreement: 20

SB.9 JATOT



August 1, 2006

Employment Training Panel 1100 J Street, 4th Floor Sacramento, Ca. 95814

To Whom It May Concern:

The Motion Picture Editor's Guild, I.A.T.S.E. Local 700, supports the efforts of the Moviola Education Center's participation in the ETP program. Local 700 represents over 6,000 members, many of whom could (and already have) benefited from the ETP program.

As you know, our industry is currently undergoing extensive technological changes and it is critical that our members utilize any and all training options to keep their skills current. They must continue their training as new systems and related software become available.

Since Moviola Education Center is already an approved facility and a participant in the Motion Picture Editors Guild's training program, any additional program is certainly welcomed.

Should you have any questions, or if there is anything we can do to facilitate Moviola Education Center's participation in the ETP program, please let us know.

Sincerely.

Dieter Rozek

Training Coordinator

Duty Pock

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323 876 8861 P. UZ

M.P.E.G. Local 780

75:31 300S-10-0UR

I.A.T.S.E. PRODUCTION SOUND TECHNICIANS, TELEVISION ENGINEERS, VIDEO ASSIST TECHNICIANS AND STUDIO PROJECTIONIST, LOCAL 695

5439 CAHUENGA BOULEVARD NORTH HOLLYWOOD, CA 91601 (818)985-9204 = (323)877-1052 FAX(818)760-4681 www.695.com

A California Nonprofit Labor Corporation Incorporated July 31, 1951, State of California MARK ULANO
President



Certified & Chartered September 15, 1930

JAMES A. OSBURN
Business Representative
Executive Director

July 13, 2006

Employment Training Panel 1100 J Street - 4th Floor Sacramento, CA 94814

ATTENTION: Margarita

Gentlemen:

RE: California Employment Training Panel Program -

In this opportunity afforded the Local, once again we express our wholehearted support of the Employment Training Panel education program in partnership with Moviola Education Center because of the benefits realized by members of Local 695 due to the educational opportunities to remain a viable employment force in the motion picture and television industry, to earn wages and benefits realized thereof and by their community and State.

The benefits of the E.T.P. educational programs consistent with the technological and artistic demands and the assumption(s) of the Employer(s), and consistent with the technological change required by our Industry and economy gives pertinent rise to the support of this program.

Best regards.

Sincerely,

Elizabeth S. Alvarez

Recording Secretary/Representative

esa

cc: Ms. Susan Weinstein, Moviola Education Center

Mr. James A. Osburn, Local 695 Business Rep.

Local 695 Executive Board

International Alliance of Theatrical Stage Employes, Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada Affiliated with the American Federation of Labor + California State Federation of Labor + Los Angeles Central Labor Council

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